

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of:)	
)	
New Service Reporting)	CC Docket No. 92-275
Requirements Under Price Cap)	
Regulation)	

COMMENTS
OF THE
UNITED STATES TELEPHONE ASSOCIATION

The United States Telephone Association (USTA) respectfully submits its comments in the above-referenced proceeding. USTA is the principal trade association of the exchange carrier industry. Its membership provides over 98 percent of the exchange carrier-provided access lines in the U. S. Eleven of USTA's members are subject to price cap regulation and are, therefore, required to file the new service reports at issue in this proceeding.

Under the current price cap rules, exchange carriers are required to file quarterly reports comparing actual results with earlier projections of cost and demand data for new service offerings. The Commission is proposing to modify this requirement to permit annual rather than quarterly filings and to clarify the duration of the requirement.

USTA wholeheartedly supports the Commission's proposal to reduce the filing requirement to an annual report. As the Commission correctly points out, an annual report will be equally

useful in evaluating whether a carrier's forecasts are accurate. The quarterly reports were not particularly helpful during the first few quarters since demand for new services often builds gradually. In addition, since the initial forecasts are for a twelve month period, it is more consistent to monitor on an annual basis. Finally, the Commission's proposal will reduce the reporting burden on price cap carriers.

Further, the Commission essentially eliminated the need for the quarterly report when it eliminated the net revenue test for the introduction of new services under price cap regulation.¹ Under the flexible cost-based pricing approach adopted by the Commission in CC Docket Nos. 89-79, 87-313, the quarterly report is no longer necessary.

While USTA agrees with the Commission's proposal to terminate the reporting requirement after the second report following the incorporation of the new service into price cap regulation, USTA believes that the reporting requirement should be terminated after the first report. The services should no longer be classified as new after the initial annual reporting period. Once these services are incorporated into price cap

regulation, the Commission will receive demand and other relevant data in the Tariff Review Plan filings, as it does for other services. This will provide the Commission with sufficient information to monitor these services and further reduce the reporting burden on exchange carriers.

Finally, USTA would urge the Commission to take this opportunity to consider streamlining the regulatory process for the introduction of new interstate services. Exchange carriers should be permitted to file tariffs to introduce new rate elements or reference technical publications without first obtaining waivers of the Commission's Part 61 or 69 rules. Exchange carriers should also be permitted to file new services tariffs with a 21 day notice period, if the revenues for the new service are considered to be de minimus. The Commission's current rules only serve to deprive customers of the benefits of new services. As competition increases, any delay in the introduction of new exchange carrier services is unreasonable and will be intolerable for customers.

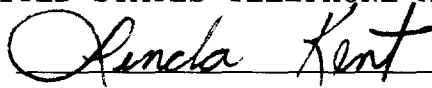
The Commission's proposal is in the public interest and should be adopted, as modified in these comments, as soon as possible. Further consideration of ways to streamline the

current process by which exchange carriers must introduce new services is also in the public interest and should be undertaken by the Commission at the earliest opportunity.

Respectfully submitted,

UNITED STATES TELEPHONE ASSOCIATION

BY

A handwritten signature in cursive script, appearing to read "Linda Kent", is written over a horizontal line.

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